

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

SECURITIES AND EXCHANGE COMMISSION, §
 §
 Plaintiff, §
 §
 vs. §
 §
 §
 TRAVIS E. CORRELL, individually and doing §
 business as Horizon Establishment; et al. §
 §
 Defendants, §
 and §
 §
 BANNER SHIELD, LLC; et al. §
 §
 Defendants Solely for §
 Purposes of Equitable Relief. §
 §

Lead Case
Case No.: 4:05-cv-472 RAS

SECURITIES AND EXCHANGE COMMISSION, §
 §
 Plaintiff, §
 §
 vs. §
 §
 GLOBAL FINANCE & INVESTMENTS, INC.; §
 et al. §
 Defendants, §
 and §
 §
 USASSET & FUNDING CORP; et al. §
 §
 Defendants Solely for §
 Purposes of Equitable Relief. §
 §

Consolidated Case
Case No.: 4:07-cv-346 RAS

**FINAL JUDGMENT AGAINST DEFENDANT GRANT CARDNO, SETTING MONETARY
RELIEF AND RECITING PREVIOUSLY IMPOSED INJUNCTIONS**

The Court having considered the Securities and Exchange Commission's *Motion For Final Judgment Ordering Disgorgement Plus Prejudgment Interest and a Civil Penalty and Reciting Injunctions Previously Imposed against Defendant Grant Cardno* ("Defendant"), the motion is hereby, GRANTED. Accordingly:

I.

IT IS HEREBY ORDERED, ADJUDGED and DECREED that Defendant, his officers, agents, servants, employees, attorneys-in-fact and those persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or
- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

II.

IT IS HEREBY ORDERED, ADJUDGED and DECREED that Defendant, his officers, agents, servants, employees, attorneys-in-fact and those persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, and each of them,

be and hereby are permanently restrained and enjoined from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

III.

IT IS HEREBY ORDERED, ADJUDGED and DECREED that Defendant, his officers, agents, servants, employees, attorneys-in-fact and those persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from violating Section 5 of the Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable exemption:

- (a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise;
- (b) Unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or

instruments of transportation, any such security for the purpose of sale or for delivery after sale; or

- (c) Making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed with the Commission as to such security, or while the registration statement is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of \$100,000, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$59,696, and a civil penalty in the amount of \$_____ pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)].

Defendant shall satisfy this obligation by paying \$_____ (**\$159,696 + Amount of Civil Penalty**) within 14 days after entry of this Final Judgment to the Receiver appointed in this case, together with a cover letter identifying Cardno as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment. Defendant shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel in this action. By making this payment, Defendant relinquishes all legal and equitable right, title, and interest in such

funds, and no part of the funds shall be returned to Defendant. Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961.

A Fair Fund is created pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002 with respect to the amounts paid to the receiver under this Final Judgment. The Receiver shall administer a Fair Fund and make distributions in accordance with the *Plan for Claims Administration and Distribution of Proceeds* (Dkt. 369) already entered in this case.

To preserve the deterrent effect of the civil penalty, Defendant shall not, after offset or reduction of any award of compensatory damages in any Related Investor Action based on Defendant's payment of disgorgement in this action, argue that he is entitled to, nor shall he further benefit by, offset or reduction of such compensatory damages award by the amount of any part of Defendant's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Defendant shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this Judgment. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Defendant by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

V.

This Court shall retain jurisdiction over this action for all purposes, including for purposes of entertaining any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court, including but not limited to the relief requested by the Commission in its *Complaint*.

VI.

This *Final Judgment* may be served upon Defendant in person or by mail either by the United States Marshal, the Clerk of the Court, or any member of the staff of the Securities and Exchange Commission.

VII.

There being no just reason for delay, the Clerk of this Court is hereby directed to enter this *Final Judgment by Default* pursuant to FED. R. CIV. P. 54, 58, and 79.